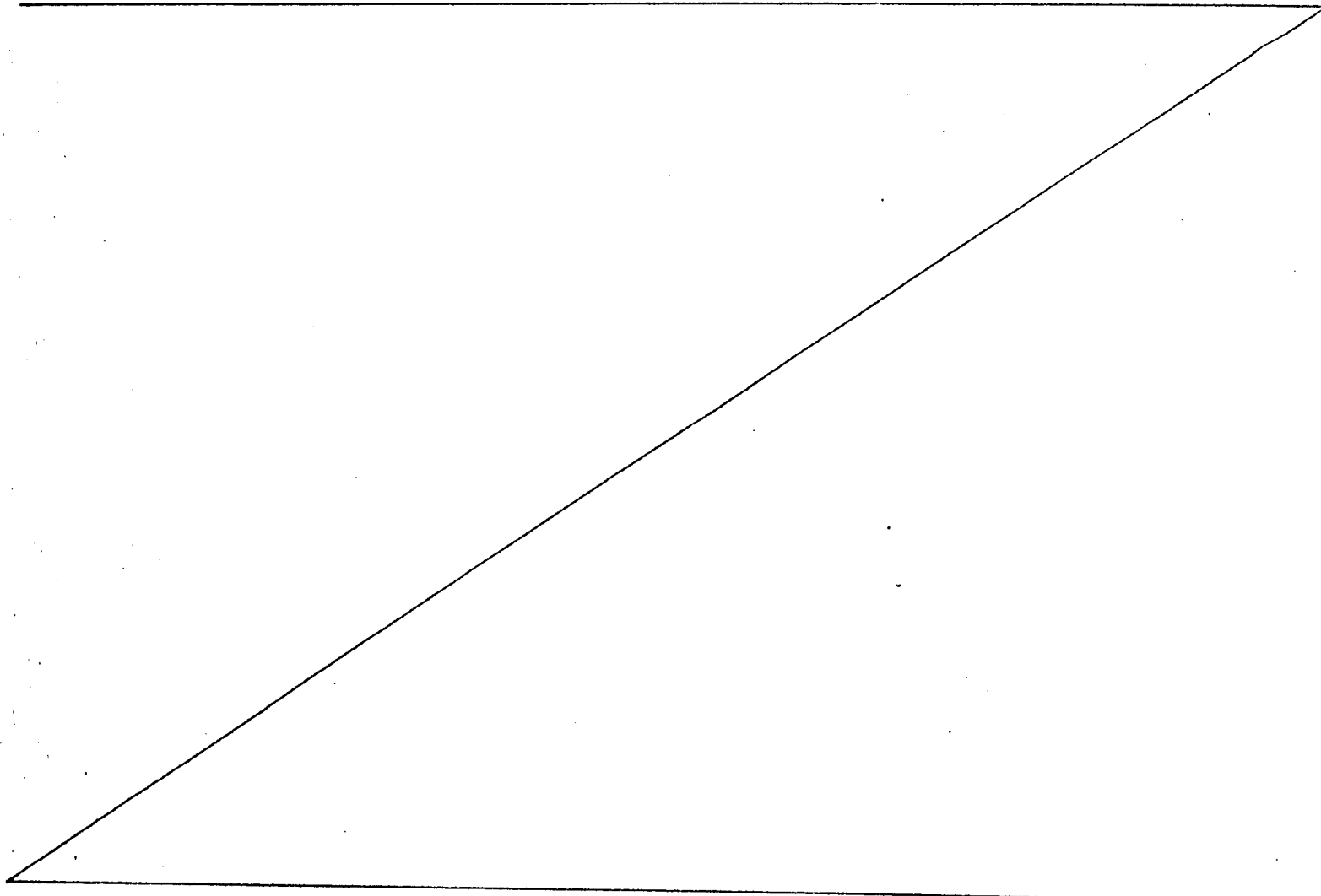


WHEREAS, the undersigned parties now being Landlord and Tenant, respectively, under the terms of a lease dated March 5, 1980, and thereafter modified by one (1) separate modification agreements, and primarily covering a Kroger storeroom located at the north side of Hall Road, between Gill St. and Lindsay St., City of Alcoa, County of Blount, and State of Tennessee, do now desire to modify and amend such lease.

NOW, THEREFORE, for and in consideration of One Dollar (\$1.00) and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, and of the promises and undertakings hereinafter set forth, the parties agree that such lease shall be and is hereby amended and modified as follows:

(A RIDER, containing paragraphs 1 through 7, is attached hereto and made a part hereof.)



All other terms and conditions of said lease and of any previous modification thereof shall remain unchanged.

The provisions of this Lease Modification Agreement shall bind and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, said parties have hereunto set their hands and seals. April 30, 1988 (as to Landlord), May 19, 1988 (as to Tenant).

Signed and acknowledged in duplicate in presence of:

Witnesses for Landlord:

Handwritten signature of Harold King on a line, with several other blank lines below it.

Landlord: KING HOLDING COMPANY

Handwritten signature of H. G. King on a line, followed by several other blank lines, each with "(Seal)" written to the right.

Tenant:

THE KROGER CO. By Richard L. Beré, Vice President Southland Marketing Area

Handwritten circular stamp containing "STC 5-10-88 03"



Witnesses for Tenant:

Handwritten signatures of Beth Jones and Rhonda Cybley on lines.

This day, before me, a Notary Public in and for said County, personally came

the Landlord in the foregoing Lease Modification Agreement, and acknowledged the signing to be

voluntary ac

Witness my hand and official seal this

day of

A. D., 19

Linda Brogan  
Notary Public

My commission expires

11-3-89

STATE OF TENN }  
COUNTY OF BLOUNT } SS

This day, before me, a Notary Public in and for said County, personally came

H.G. KING, JR

President and Secretary, respectively

of KING HOLDING COMPANY

the corporation described in and which executed the above instrument; who being by me duly sworn, did depose and say that: they know the seal of said corporation; that the seal affixed to said instrument was such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that they signed their names thereto by like order.

Witness my hand and official seal this 30<sup>TH</sup> day of

APRIL

A. D., 19 88

Linda Brogan  
Notary Public

My commission expires

11-3-89

STATE OF TENNESSEE }  
COUNTY OF DAVIDSON } SS

This day, before me, a Notary Public in and for said County, personally came Richard L. Bere - - - - -

Vice President, Southland Marketing Area

of The Kroger Co., the corporation described in and which executed the above instrument; who being by me duly sworn, did depose and say that: he knew the seal of said corporation; that the seal affixed to said instrument was such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

Witness my hand and official seal this 19<sup>th</sup> day of May

A. D., 19 88

Beth Jones  
Notary Public

My commission expires

7-17-88

RIDER

This Rider, consisting of Paragraphs 1 through 7, is attached to and made a part of Lease Modification Agreement No. 2 between KING HOLDING COMPANY, as Landlord, and THE KROGER CO., as Tenant.

1. Expansion of Shopping Center Premises

Landlord hereby agrees to expand the Shopping Center premises at Landlord's sole cost and expense, to include the 2.034 acre parcel adjacent the Shopping Center bordering on Gill Street, ("Parcel 1"), more particularly described in Exhibit A, attached hereto and made a part hereof, pursuant to the terms and conditions of this Lease Modification Agreement.

Landlord shall, at Landlord's sole cost and expense, remove all buildings, trees, and other obstructions from said Parcel 1, and shall level, pave, and strip same, and provide driveways, walks, drainage, curbs, and proper lighting, all in accordance with the Plot Plan dated November 4, 1987 (Exhibit B) attached hereto and made a part hereof which Plot Plan supersedes all prior Plot Plans. On the date Landlord sends to Tenant the hereinafter defined Completion Notice, the Shopping Center shall be considered to be expanded to include Parcel 1.

Landlord's obligations hereunder are subject to Landlord's securing Mortgagee's consent to this Lease Modification No. 2, which consent Landlord shall endeavor to obtain as soon as possible after execution of this Agreement. ~~Should Mortgagee fail to consent (except as to final plan approval which shall not be unreasonably withheld or delayed) within thirty (30) days of the execution of this Agreement, then the terms of this Lease Modification Agreement No. 2 shall immediately become void and of no further force and effect.~~

2. Plans and Specifications

The modifications shall be constructed in general conformity with the plans and specifications (hereinafter referred to collectively as "Plans") to be prepared by Landlord, at Landlord's sole cost and expense, and submitted to Tenant for Tenant's review. Tenant shall approve the Plans prior to Landlord commencing construction of any such modifications, which approval shall neither be unreasonably withheld or delayed.

3. Completion, Rent, and Percentage Payment

Subject to the provisions of Paragraph 4 hereof, effective on the date ("Grand Re-Opening Date") on which Tenant holds its grand re-opening for business in its expanded Shopping Center after expansion and remodeling as provided for herein, the monthly rental set forth in Paragraph 8 of the Lease Agreement shall be increased to Twenty Five Thousand Five Hundred Seventy and 00/100 Dollars (\$25,570.00) per month, and the minimum sales base set forth in Line 185 of the Lease Agreement shall be increased to Thirty <sup>THOUSAND</sup> ~~THOUSAND~~ Six Hundred Eighty Four <sup>THOUSAND</sup> and 00/100 Dollars (\$30,684,000) for thirty-six (36) consecutive months. Should Tenant have not elected to expand the Demised Premises as provided in Paragraph 7 of this Rider prior to the expiration of the referenced thirty six (36) month period, then the monthly rental shall decrease to Twenty <sup>FIVE</sup> ~~FOUR~~ Thousand <sup>ONE</sup> ~~SIX~~ Hundred <sup>THIRTY</sup> ~~NINETY~~ and 00/100 Dollars (\$24,690.00) and the minimum sales base shall decrease to <sup>ONE</sup> ~~TWENTY~~ Nine Thousand <sup>THIRTY</sup> ~~SIX~~ Hundred <sup>THIRTY</sup> ~~TWENTY~~ Eight and 00/100 Dollars (\$29,628.00) as of the 37th calendar month following the Grand Re-Opening Date and continuing through the term and any renewals of the Lease. Effective on the Grand Re-Opening Date, a period is inserted in line 186 of the Lease Agreement after "lease year" and the language after and including "provided" in line 186 and all the language in line 187 and the language in line 188 up to and including "year" is hereby deleted.

4. Inspection and Maintenance of Shopping Center Expansion

Within thirty (30) days of Tenant's receipt of Completion Notice, Tenant shall inspect the modifications made to the Shopping Center by Landlord and notify Landlord of any defects to which Tenant objects which are not in general conformity with the Plans or applicable codes and Landlord shall correct same.

THIRTY MILLION ONE HUNDRED FORTY FOUR

not be unreasonably withheld or delayed) within one hundred eighty (180) days of the execution of this Agreement, then the terms of this Lease Modification Agreement No. 2 shall immediately become void and of no further force and effect.

JK

JK

JK

or construct shops

25,570.00

REMOVES CAP ON ADDITIONAL RENTALS DUE LANDLORD PER AGREEMENT IN ORIGINAL LEASE (SEE ALSO TEL CONV NOTES ON 10-30-87) PER ATTACHED

Provided Landlord's contractor (i) has completed Tenant's and Landlord's Punchlists to the reasonable satisfaction of Landlord and Tenant, (ii) has delivered a complete set of lien waivers from all major materialmen, general contractor, and subcontractors (iii) has completed Landlord's and Tenant's Punchlists compiled upon inspection of the Shopping Center at the end of the one year construction warranty period and has corrected deficiencies noted at such inspection to the satisfaction of Landlord and Tenant, and (iv) Tenant advises Landlord in writing that it accepts the expanded Shopping Center, Landlord and Tenant shall, upon Landlord's receipt of such written acceptance, assume their respective responsibilities for maintaining and repairing the expanded and remodeled Shopping Center as required by the Lease to be performed by them during the term of this Lease and any extension or renewal hereof. For purpose of this Paragraph 4, a major materialman or subcontractor shall be defined as a party who furnishes labor, performs work for the expansion and remodel of the demised premises, the total cost of which is \$5,000.00 or more.

Landlord agrees to correct the <sup>C</sup> deficiencies and omissions in the Shopping Center set forth in Exhibit <sup>788</sup> attached to and made a part of this Agreement, during Landlord's construction of the modifications to Parcel 1. Landlord further agrees to stripe the Common Area in accordance with the attached Plot Plan and to such specifications as Kroger shall agree to, and to complete such work prior to the Grand Re-Opening Date in compliance with such schedule as to which Kroger shall also agree. Landlord's agreement to make these repairs in no way mitigates Landlord's continuing obligation to maintain and repair the Demised Premises and Shopping Center in accordance with the terms and conditions of the Lease.

5. Indemnification During Shopping Center Expansion

Landlord shall indemnify and save harmless Tenant from all claims, losses and expenses, including without limitation, reasonable attorneys' fees, arising from the negligence of willful misconduct of Landlord or its agents, employees or contractors occurring during the course of any work performed by Landlord to the Shopping Center in accordance with Paragraph 4 hereof, provided that this indemnity shall be inapplicable to tortuous actions or omissions of Tenant or its agents, employees or contractors.

6. Parking Spaces

In Line 30 of the Lease Agreement, delete the number "263" and substitute "362" therefor.

7. Expansion of Demised Premises

Landlord agrees that Tenant may at any time within three (3) years of the Grand Re-Opening Date of the Shopping Center, after notice to Landlord, make such alterations and additions to the Demised Premises as may be necessary to construct an additional ground floor area containing not more than 16,192 square feet and having dimensions of not more than 184' by 88' and as are identified and located as "Reserve for Kroger Expansion" on the Plot Plan. Such building addition shall be built to Tenant's requirements according to plans provided by Tenant and approved as to general form by Landlord which approval shall not be unreasonably withheld or delayed.

Should there be less than ten (10) years remaining in the term after completion of the addition, the parties agree that the Tenant shall be entitled to two (2) additional five (5) year renewal terms over and above, and on the same terms and conditions applicable to, the renewal terms currently provided for in the Lease. Within ninety (90) days of completion of such addition, Landlord and Tenant will enter into and record a Lease Amendment and enter into a Lease Modification Agreement ("LMA") providing for these two (2) additional five (5) year renewals.

~~Should Tenant elect, Landlord shall reimburse Tenant the cost to Tenant of the expansion and alteration of the Demised Premises excluding the cost of Tenant's trade fixtures and equipment ("Costo"), within ninety (90) days of~~

shall be constructed in the Reserve for Shop Construction located outside the Reserve for Kroger Expansion.

or "Reserve for Shop Construction"